



The New Appeals

2002 IRS Nationwide Tax Forum



The New Appeals

- **Mission**
- **How we approach cases**
- **Impact of RRA98**
- **Fast Track Mediation—a new dispute resolution opportunity**



The Appeals Mission

Resolve tax controversies, without litigation, on a basis that is fair and impartial to both the Government and the taxpayer, and in a manner that will enhance voluntary compliance and public confidence in the integrity and efficiency of the Service.



The Appeals Mission

- **Settlement rather than litigation**
 - **quicker**
 - **cheaper**
 - **usually provides all the certainty needed**
- **Fair and impartial**
 - **balanced approach**
 - **fair to both sides**
- **Enhancing voluntary compliance (consistent, well-reasoned results)**



Appeals: IRS's Dispute Resolution Forum

- **Independent of Compliance by statute**
- **Impartial review maintains the integrity of our tax system**
- **Granted authority to consider and negotiate settlements of IRS disputes**



Glossary

Settlement

Hazards of litigation

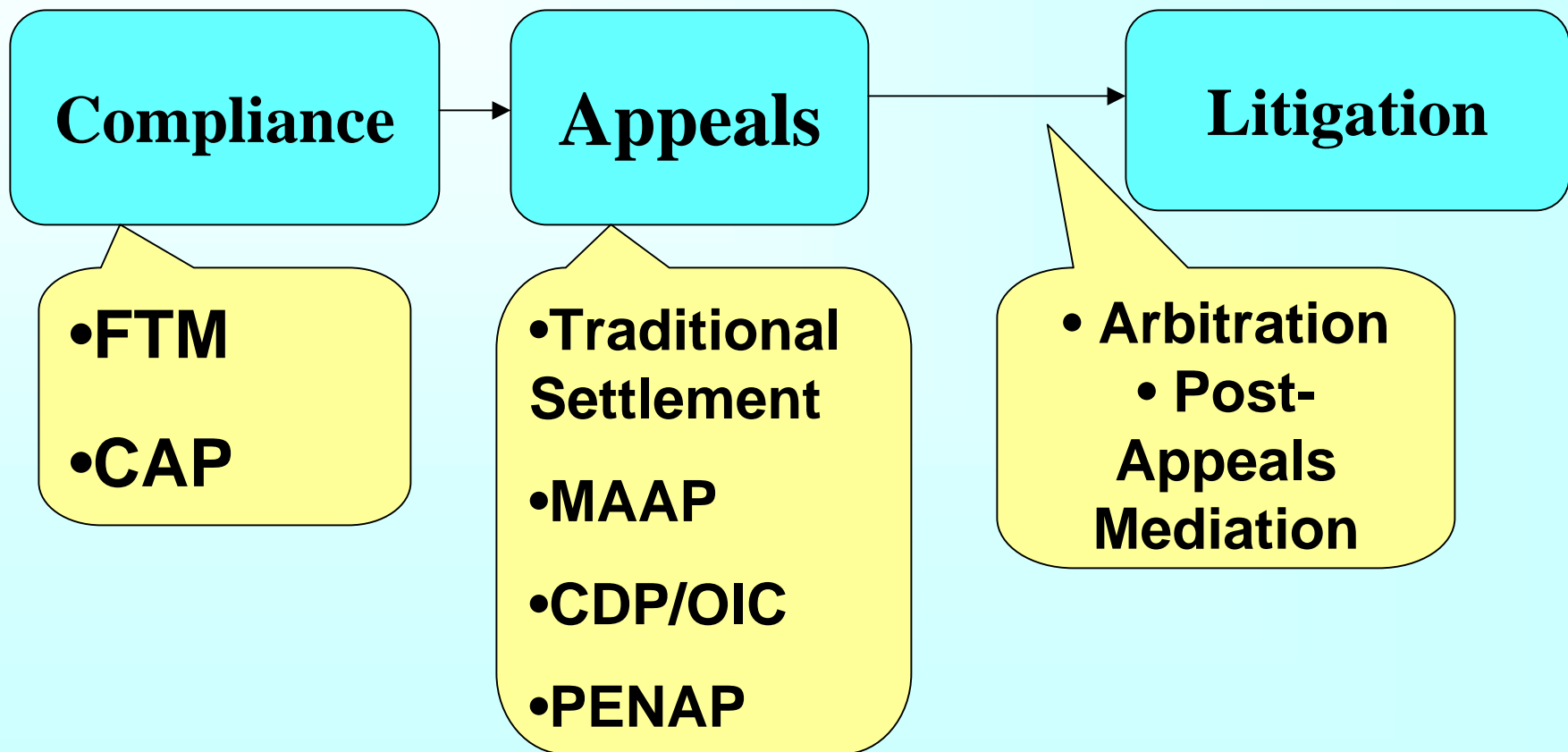
Docketed v. Non-Docketed

Mediation

Hearings/Determinations



Current Appeals Processes





Nature of Conferences and Hearings

- **Informal**
- **By correspondence, telephone, or face-to-face meeting**
- **No moral, religious, constitutional, conscientious objections, or similar grounds**



Restructuring and Reform Act of 1998

- **Statutory independence for Appeals codified**
 - **Ex parte communications limited**
- **Collection due process hearings established**
- **Post-Appeals Mediation/Arbitration codified**



Ensuring Independence: Ex Parte Prohibitions

- **No communications between Appeals and another Service function without taxpayer's (or representative) participation**
- **Applies to any form of communication:**
 - **Oral or**
 - **Written**



Ensuring Independence: Ex Parte Prohibitions

Exceptions:

- **Administrative file**
- **Questions that involve ministerial, administrative, or procedural matters**
- **Docketed cases**
- **When taxpayer/representative declines to participate or seeks to delay**



Collection Due Process Hearings

Taxpayer entitled to an Appeals hearing:

- After Notice of Federal Tax Lien **filed** (IRC § 6320)
- After notice of intent to levy **issued** (IRC § 6330)

May seek judicial review of Appeals' determination



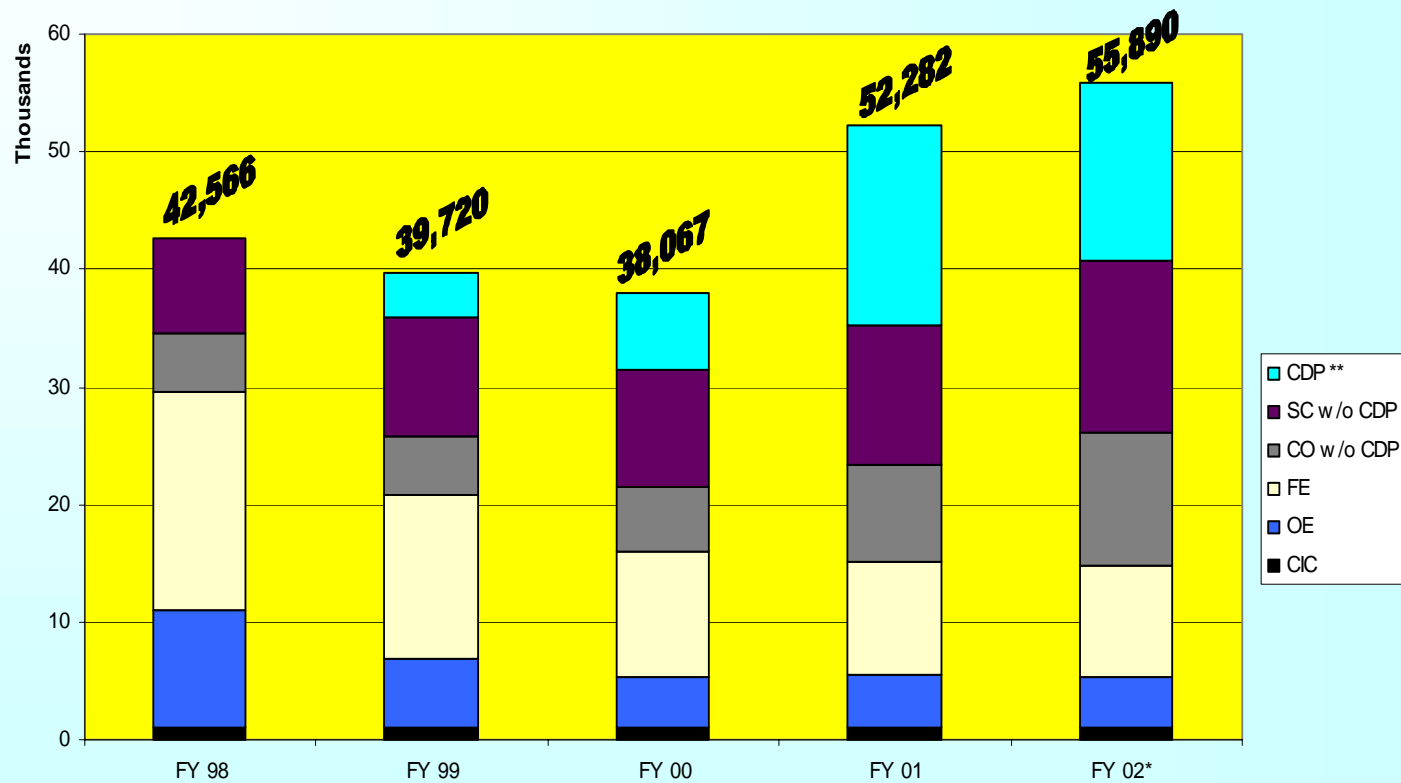
Collection Due Process Hearings

The “Big Three:”

- **Did IRS follow required procedures?**
- **Issues the taxpayer raises**
- **Whether the need for efficient tax collection outweighs the intrusiveness of the proposed collection action**



Appeals Changing Inventory— 1998 to 2002

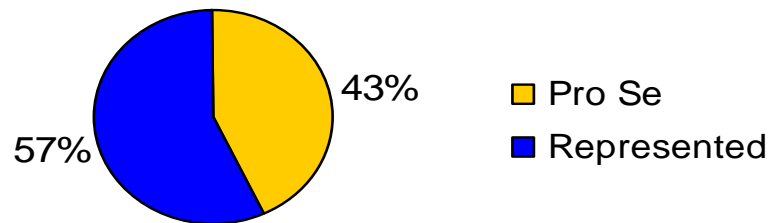


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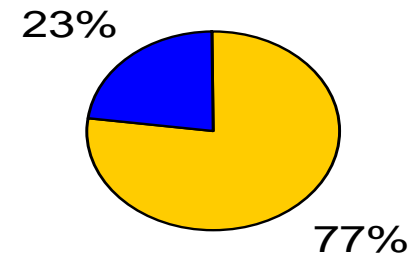


Changing Customer Base

2001



2002



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Improvement Priorities

- **Outreach Specialists and Meetings**
- **More Service Center presence**
- **MAAP**
- **GEN Fast Track Mediation/LMSB Fast Track Dispute Resolution**



Expanding Service Center presence

- **Deal directly with campus employees to:**
 - **resolve processing problems**
 - **identify trends in work processes and tax issues**
- **Locate Appeals workforce near source of work**



Advantages to Service Center presence

- **Provide new career paths for employees**
- **Decreased case processing time**
- **Reduced hand-off time**
- **Issue specialization**



Mutually Accelerated Appeals Process

- **Initiative to reduce the cycle time for large cases**
- **No application process**
- **Both taxpayer and Appeals agree to supply additional resources to accelerate the process**



Fast Track Mediation

- **Informal process to resolve disputes**
- **Third party—mediator—helps:**
 - **Discuss issues involved**
 - **Develop options for solution**



Fast Track Mediation

Appeals or Settlement Officer:

- **Facilitates communication**
- **Assists in a neutral location**
- **Works with Taxpayer and Revenue Agent or Revenue Officer**
- **Has no settlement authority**
- **Is not arbitrator**



Fast Track Mediation

Generally available for:

- **All non-docketed cases**
- **Collection-source work**
 - Trust fund recovery penalties
 - Offers in Compromise from field
 - CDP from field



Fast Track Mediation

Not available for:

- **Issues docketed or designated for litigation**
- **Issues without legal precedent or where there's a conflict between courts**
- **Service Center and ACS cases**
- **Collection Appeals Program cases**



Fast Track Mediation Process

- **Agreement to mediate to Compliance**
- **Agreement and summary of issues to local Appeals office**
 - **Taxpayer may also prepare**
- **If accepted, Appeals manager assigns within 2 days**



Fast Track Mediation Process

- Mediator contacts decision-makers within 5 days
- Neutral location chosen
- Process explained at joint meeting
- Mediator meets separately to clarify issues
- Additional meetings as necessary
- File returned to Compliance for processing whether or not issue resolved



Fast Track Mediation Advantages

- **Shorter time frames**
- **Resolved where dispute began**
- **No loss of traditional appeal rights**



More Appeals information

**Appeals Toll Free:
1-877-457-5055**

**Website:
irs.gov/appeals**



Thank you

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